

**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Eightieth Session  
March 6, 2019**

The Senate Committee on Commerce and Labor was called to order by Chair Pat Spearman at 1:39 p.m. on Wednesday, March 6, 2019, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Pat Spearman, Chair  
Senator Nicole J. Cannizzaro  
Senator James Ohrenschall  
Senator Chris Brooks  
Senator Joseph P. Hardy  
Senator James A. Settelmeyer  
Senator Heidi Seevers Gansert

**GUEST LEGISLATORS PRESENT:**

Senator Joyce Woodhouse, Senatorial District No. 5

**STAFF MEMBERS PRESENT:**

Cesar Melgarejo, Policy Analyst  
Bryan Fernley, Committee Counsel  
Kim Cadra-Nixon, Committee Secretary

**OTHERS PRESENT:**

Mike Schneider  
Myron Martin, President and CEO, The Smith Center for the Performing Arts  
Peter Dropick, Executive Vice President, Ultimate Fighting Championship  
Alfredo Alonso, Vegas Golden Knights; Ultimate Fighting Championship  
Kerry Bubolz, President, Vegas Golden Knights  
Todd Pollock, Vice-President of Ticketing, Vegas Golden Knights

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Tamara Daniels, General Counsel, Vegas Golden Knights  
Josh Hicks, Oakland Raiders  
Jon Leleu, Live Nation Entertainment; Ticketmaster  
Bryan Wachter, Retail Association of Nevada  
David Cherry, City of Henderson  
Victoria von Szeliski, General Counsel, AXS Ticketing; Vegas Golden Knights; T-Mobile Arena  
Lou D'Angeli, Vice-President of Marketing, Cirque du Soleil  
Randy Soltero, International Alliance of Theatrical Stage Employees, Local 720 and Local 365  
William Horne, StubHub  
David Goldwater, Nevada Ticket Broker's Association  
Ken Solky, President, Las Vegas Tickets  
Julio Alvarado, Managing Partner, Bravo Tickets  
Wendell P. Williams, U.S. Minority Ticketing Group; National Association of Ticket Brokers; TicketNetwork

CHAIR SPEARMAN:

I will open the hearing on Senate Bill (S.B.) 131 with Senator Woodhouse.

**SENATE BILL 131**: Revises provisions relating to the resale of tickets to an athletic contest or live entertainment event. (BDR 52-64)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I am here to present S.B. 131 for your consideration and will read testimony in support of this bill ([Exhibit C](#)).

MIKE SCHNEIDER:

I am in support of the adjustments in S.B. 131 with the full commitment of Las Vegas sporting teams, Cirque du Soleil and The Smith Center for the Performing Arts.

MYRON MARTIN (President and CEO, The Smith Center for the Performing Arts):

The bill which passed last Session has helped in our efforts to prevent fraudulent ticket sales. We are asking for a revision in the bill that simply states people should not be able to sell something they do not own. Despite this simple revision there is still opposition to this bill. You will hear testimony in

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support of S.B. 131 from several of our commercial partners: The Oakland Raiders, The Golden Knights, Ultimate Fighting Championship (UFC) and others.

PETER DROPICK (Executive Vice President, Ultimate Fighting Championship):  
I begin by confirming that UFC is not in opposition to the reselling of tickets, but we are opposed to deceptive, dubious and fraudulent practices of ticket resellers.

In our presentation ([Exhibit D](#)) we will discuss these deceptive trade practices and how they harm both the consumer and the business owners. I will begin our presentation explaining four deceptive resale practices: speculative ticket sales, fraudulent tickets, deceptive uniform resource locators (URLs) and bots. An internet bot is a software application that runs automated tasks over the Internet. In closing, we are opposed to fraud not to legitimate ticket resellers.

SENATOR SETTELMAYER:

Section 7 states that one may not resell a ticket unless it is in the possession of the reseller. Would season ticket holders have the right to resell their tickets with only a receipt?

MR. DROPICK:

Yes, the bill would define rights to the ticket and it does not require a physical ticket.

CHAIR SPEARMAN:

Prior to an event, when are tickets made available by UFC?

MR. DROPICK:

Following an event announcement, the timeframe varies to release tickets for sale.

CHAIR SPEARMAN:

Were the fraudulent tickets discussed by Mr. Martin of The Smith Center for the Performing Arts already on sale?

MR. DROPICK:

Yes, tickets were on sale by the organization. In this case, bots were used to buy the tickets and resell them.

ALFREDO ALONSO (Vegas Golden Knights; Ultimate Fighting Championship):

In the amended bill we are defining the primary rights of the ticket holder as the producer, owner, investor, team or association. We are also introducing amendments to protect the consumer. We are asking that fees and reseller names are clearly displayed prior to the consumer purchasing a ticket. The reseller must have possession of the ticket or a contract to obtain the ticket. We have outlined stricter guidelines to prevent the use of bots to acquire tickets for resale.

Senate Bill 131 also allows for civil action against a reseller committing a violation of these provisions.

Our goal in this legislation is to protect the investment of businesses and consumers in the State.

KERRY BUBOLZ (President, Vegas Golden Knights):

We have submitted a memorandum ([Exhibit E](#)) in support of the revisions relating to the resale of tickets to an athletic contest or live entertainment. Fraudulent ticket operators have taken advantage of the success of the Vegas Golden Knights and of the fans.

We are in support of S.B. 131.

TODD POLLOCK (Vice-President of Ticketing, Vegas Golden Knights):

We have seen instances of fraudulent ticket sales in virtually all of the 100 games played in our Las Vegas T-Mobile Arena. Secondary platforms scam innocent people into believing they are on the official box office website. Fraudulent resellers have posted tickets that had not been released by the Vegas Golden Knights.

We are in support of S.B. 131 and also support secondary resellers. We are against fraudulent resellers.

TAMARA DANIELS (General Counsel, Vegas Golden Knights):

Section 10 of S.B. 131 will allow further investigation and enforcement against fraudulent ticket sellers. Expanding penalties would allow us to more efficiently and effectively pursue our rights to recover losses.

JOSH HICKS (Oakland Raiders):

The Oakland Raiders are in support of S.B. 131 because customer satisfaction is very important to our organization. The bill helps preserve the integrity of the secondary ticket market.

JON LELEU (Live Nation Entertainment; Ticketmaster):

We are testifying in support of S.B. 131 and are here specifically to discuss bots. I will discuss the key points of the report by Distil Networks "Threat Research, How Bots Affect Ticketing" ([Exhibit F](#)).

The highest bad bot activity, 40 percent, is on ticketing websites. Ticket brokers, individual scalpers, hospitality agencies, corporations and criminals attack ticketing with bots. Real fans are denied ticket inventory due to bad bot activity. Ticketing bot sophistication continues to rise. The majority of bots originate in the U.S. and adversely affect ticket sales.

BRYAN WACHTER (Retail Association of Nevada):

We are in favor of S.B. 131 and echo the comments of earlier speakers in favor of this bill. We would also like to highlight the importance of experiences for younger purchasers in the retail market. The retail experience often begins by purchasing an event ticket. We support S.B. 131 and its effort to provide a resource for people to have a great experience.

DAVID CHERRY (City of Henderson):

The City of Henderson is in support of S.B. 131.

VICTORIA VON SZELISKI (General Counsel, AXS Ticketing; Vegas Golden Knights; T-Mobile Arena):

I am here on behalf of AXS Ticketing and our clients, Vegas Golden Knights and T-Mobile Arena, in support of S.B. 131. I am in agreement with the prior testimony of my colleagues and especially in agreement with measures to enforce fraudulent activity with increased fines.

LOU D'ANGELI (Vice-President of Marketing, Cirque du Soleil):

As a 25-year veteran of the Las Vegas entertainment community, along with our partners in the sports and live entertainment world, Cirque du Soleil fully supports their respective positions and S.B. 131.

RANDY SOLTERO (International Alliance of Theatrical Stage Employees, Local 720 and Local 365):

We represent the employees who setup and sell tickets to events. Bots do not invest in the community; the people who I represent support the community. On behalf of Local 720 and Local 365, we are in full support of S.B. 131.

WILLIAM HORNE (StubHub):

It is with regret that I am presenting in opposition to S.B. 131 and our position is detailed in ([Exhibit G](#)) with supporting articles ([Exhibit H](#)). We have also submitted a proposed amendment to S.B. 131 ([Exhibit I](#)).

DAVID GOLDWATER (Nevada Ticket Broker's Association):

Nevada Ticket Broker's Association represents local tax paying businesses and these businesses are important to local tourism. Nevada Ticket Broker's Association is also interested in solving the problems brought forward by the sponsor of S.B. 131, especially speculative ticketing, deceptive URLs and bots. While this bill makes an earnest effort to address these issues; there are some issues related to definitions and prohibitions that require refinement. I have submitted a memorandum ([Exhibit J](#)) with proposed amendments ([Exhibit K](#)). The sponsor of S.B. 131 has agreed to continue to work on the bill with Nevada Ticket Broker's Association. The goal of this work is to draft a bill that protects the public and also allows local ticket brokers to operate.

KEN SOLKY (Las Vegas Tickets):

I am a resident of Henderson, Nevada and have operated Las Vegas Tickets for decades. I am a 35-year member of the industry and look forward to working with the sponsors to refine S.B. 131.

MR. GOLDWATER:

Finding a good resolution to this bill is very important so that unintended consequences do not lead to time in prison.

JULIO ALVARADO (Managing Partner, Bravo Tickets):

Bravo Tickets was shown in the UFC presentation displaying speculative ticket sales. TicketNetwork manages our point-of-sale ticket system, as well as the online feed. TicketNetwork decides when to advertise online and we do not have control over the timing of ticket advertising.

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Bravo Tickets is the official secondary market for the Mountain West Conference, the official ticket marketing partner for the Las Vegas Aces and corporate sponsor for MGM International. Bravo Tickets is an advocate for the consumer and a business with integrity. Bravo Tickets is in opposition to S.B. 131.

WENDELL P. WILLIAMS (U.S. Minority Ticketing Group; National Association of Ticket Brokers; TicketNetwork):

We oppose S.B. 131, specifically section 6 and section 7. We do support the intent of the bill, which is to protect the consumer. Please refer to statements from the U.S. Minority Ticketing Group ([Exhibit L](#)) and TicketNetwork ([Exhibit M](#)).

SENATOR WOODHOUSE:

We will be speaking with those who have brought forth amendments. We will work together to bring back legislation to move S.B. 131 forward.

MR. DROPICK:

I will address some of the issues from the opposition. The intent of the bill is to prevent sales by organizations that do not have rights to a ticket. The intent of the bill is not to mask legitimate ticket resales as in the case of a season ticket holder.

A ticket reseller is responsible for preventing speculative ticket sales on their website. Accepting feeds from an outside source does not exempt the website.

Along with the Golden Knights and the Oakland Raiders, UFC is not opposed to secondary ticket providers; we only want to stop deceptive practices.

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CHAIR SPEARMAN:

We will close the hearing on S.B. 131 and are adjourned at 2:46 p.m.

RESPECTFULLY SUBMITTED:

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Kim Cadra-Nixon,  
Committee Secretary

APPROVED BY:

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Senator Pat Spearman, Chair

DATE: \_\_\_\_\_



<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	7		Attendance Roster
S.B. 131	C	3	Senator Joyce Woodhouse	Written Testimony
S.B. 131	D	16	Peter Dropick / Ultimate Fighting Championship	PowerPoint Presentation
S.B. 131	E	3	Kerry Bubolz / Vegas Golden Knights	Memorandum of Support
S.B. 131	F	24	Jonathan Leleu / Live Nation Entertainment; Ticketmaster	Distil Networks Research Presentation
S.B. 131	G	4	William Horne / StubHub	Written Testimony
S.B. 131	H	1	William Horne / StubHub	Supporting Documents
S.B. 131	I	8	William Horne / StubHub	Proposed Amendment
S.B. 131	J	2	David Goldwater / Nevada Ticket Broker's Association	Memorandum
S.B. 131	K	2	David Goldwater / Nevada Ticket Broker's Association	Proposed Amendment
S.B. 131	L	2	Wendell P. Williams / U.S. Minority Ticketing Group	Testimony
S.B. 131	M	1	Wendell P. Williams / TicketNetwork	Testimony